

**REPORT
ON THE SELECTION OF
AN EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER
FOR THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION**

**Submitted by
Keslie W.K. Hui, Chair
Human Resources Committee
Board of Directors
Honolulu Authority for Rapid Transportation**

Pursuant to the Revised Charter of the City and County of Honolulu, Section 17-103.3(c), the Board of Directors of the Honolulu Authority for Rapid Transportation (HART) appoints the agency's Executive Director, who shall be the chief executive officer (CEO) of HART. That section of the Charter also provides that the qualifications, powers, duties, functions, and compensation of the Executive Director/CEO shall be established by the Board. The only specific qualification for the position in the Charter is that the Executive Director/CEO have at least five years of fixed guideway system experience (Section 17-104(b)).

At its very first meeting on July 1, 2011, the Board determined that it would benefit in carrying out this important responsibility by retaining the services of an executive search firm. In September 2011 a Request for Proposals (RFP) was issued for a firm to assist the Board with the recruitment of an Executive Director/CEO for HART. Proposals received in response to the RFP were evaluated by procurement staff based upon technical qualifications, experience, response to the statement of work outlined in the RFP and proposed pricing.

Krauthamer & Associates Inc. was selected, having demonstrated that they possessed the technical skills to successfully recruit talent at the Executive Director/CEO level, their team based approach and their prior experience. This experience included several recently completed CEO-level searches for a major professional association in the public transportation field as well as various large transit authorities across the United States. Krauthamer & Associates' contract provides for a fee of \$97,500 and an estimated expense budget of \$50,000. Gregg Moser, a Krauthamer principal who leads their transportation practice, was the lead consultant on the project.

Krauthamer & Associates first met with members of the Board, both individually and collectively in public session, as well as with HART staff, members of the City Council, the Mayor of Honolulu and other key stakeholders to discuss the desired qualities, attributes and sensitivities for an Executive Director/CEO. This information was used by Krauthamer to prepare a detailed proposed recruitment plan, a job description and a job advertisement.

The Board discussed and approved the recruitment plan, job description and advertisement with minor revisions at its public meeting of November 17, 2011. These documents were then posted on the HART website, and Krauthamer arranged for the publication of the advertisement in various local, national and international media and industry outlets.

At the November 17th public Board meeting the salary expectations of potential candidates was also discussed. Based upon Krauthamer's experience recruiting CEO candidates for the public transit sector, the Board was informed that the annual base salary range for candidates would be from \$150,000 - \$400,000 and that Krauthamer would seek to present candidates who fit within that salary spectrum for the Board's consideration. Additionally, it was noted that some candidates might need housing allowances, transportation allowances and other benefits to offset Honolulu's high cost of living and distance from the mainland.

Immediately following that public meeting the recruitment process began. A tremendous amount of local, national and international interest in the position was received. All told, Krauthamer & Associates spoke with over 150 individuals who either applied for the position by responding to advertisements or who were contacted directly. Ultimately, approximately 50 applications were received. According to Krauthamer, although not all applicants met the minimum qualifications for the Executive Director/CEO position, overall it was an extremely strong and qualified pool of applicants.

A consistent theme throughout the process was that candidates had serious concerns about ensuring their confidentiality. For many, their current employment could be negatively affected if their interest in the HART position became public. This was identified as a likely concern by Krauthamer from the outset, based on the firm's familiarity with the industry, and the Board was briefed on this concern by Mr. Moser at its public meeting of November 17, 2011. The confidentiality concern was then confirmed in Krauthamer's discussions with candidates, as candidates actually withdrew their applications over confidentiality concerns. We have therefore tried throughout the process to honor the confidentiality concerns of applicants, to protect their privacy rights, and to ensure the strongest possible field of candidates. Through Krauthamer we have informed candidates that we will do whatever is permissible to keep their participation in the process confidential.

That said, we have also made every effort to be as transparent as possible under the circumstances. The recruitment effort and its status have been publicly discussed in at least nine full Board or Human Resources Committee meetings during the last eight months. And as noted, the recruitment plan, position description and job advertisement have been publicly discussed and available on HART's website since they were approved by the Board last November. Now that the appointment process has resulted in a finalist being identified, we have also confirmed that the other two candidates who remained under consideration at the end of the process are willing to waive their privacy rights and allow us to reveal their names. They are Larry Miller and Toru Hamayasu, and their applications strengthened the candidate pool tremendously.

Eventually, during the Board's continued executive session on February 2, 2012, Krauthamer & Associates presented a list of thirteen recommended candidates to the Board for its consideration. All of these candidates were concerned about confidentiality. Krauthamer described each of the candidates to the Board, and provided its assessment of their strengths, weaknesses, achievements, reputations and current or recent compensation. Collectively the Board reflected on the group presented and identified a short list of five candidates to meet in person and consider for the Executive Director/CEO position.

Given the tight time constraints required to meet the planned March 1st public board meeting appointment of an Executive Director/CEO, Krauthamer & Associates conducted final confidential reference and investigative background checks on all remaining candidates prior to interviews being held. This was a change from the recruitment plan, which provided for the background checks to be conducted after the interviews, but ensured that all candidates still under consideration were fully vetted and that the Board could be positioned to immediately make a fully informed decision.

Four candidates arrived in Honolulu the week of February 13th and were given a tour of the alignment. Along with a locally-based candidate, they met informally with individual board members in 2-on-1 groups and were interviewed during the continuation of the executive session on February 17th and February 18th by the full Board of Directors. Each interview lasted about one and a half hours. During the consideration of the remaining candidates, two candidates decided to withdraw from the process.

The Board began deliberating during the continued executive session of February 18th. It carefully considered all of the information that had been provided and further deliberated in a continuation of the executive session on February 22nd until reaching a consensus that among the three candidates being considered, Mr. Daniel Grabauskas was most qualified. Mr. Grabauskas' resume is attached to this report. Throughout the deliberations, the Board and Krauthamer continued to conduct due diligence as to Mr. Grabauskas' experiences at the Massachusetts Bay Transit Authority, and some of the news articles obtained are attached hereto. Mr. Grabauskas was presented with the Board's proposed basic terms of employment on February 23rd, reviewed those terms and found them agreeable and confirmed this to the Board on February 24th, with the understanding that the Board would still have to vote to approve his appointment.

The basic proposed terms of employment for Mr. Grabauskas are as follows: an annual base salary of \$245,000, a \$3,000/month housing allowance, a \$500/month transportation allowance, and the possibility of an annual bonus of \$35,000 if performance objectives are met. Standard City benefits such as vacation and sick leave; EUTF medical, drug, vision and dental plan options; life insurance coverage; and deferred compensation program participation would apply. The at-will appointment would be for a three-year term. There would be a severance payment of one year's base salary if the Executive Director/CEO is terminated prior to the end of the term of appointment for any reason other than for cause.

The Board's selection of Mr. Grabauskas was based on the following reasons:

- (1) His experience operating multi-modal systems, including bus and rail, and his clearly articulated vision for integration.
- (2) His proven success in working with boards and multiple stakeholders during construction and operation.
- (3) His sincere communication skills as demonstrated with the Board during his interview, as well as evidenced by past successes with all stakeholders, including impacted business owners, unions, and members of the public.
- (4) His commitment to completing this project on time, and within budget.
- (5) The relevance of his past experience and successes in (a) completing construction within the FTA construct, and (b) negotiating with AnsaldoBreda.
- (6) His successful integration of transit oriented development (TOD) with rail systems.
- (7) His openness to different cultures.
- (8) His passion for public transportation.

The consensus of the Board in deliberating regarding the final group of candidates was that while all of them had the requisite five years of fixed guideway system experience, Mr. Grabauskas was the best fit for this project, at this time. His strong communication skills, his passion for public transportation, his experience leading a multi-modal transit system, and his knowledge of the FTA's Full Funding Grant Agreement (FFGA) process made him an ideal candidate for HART Executive Director/CEO. Staff is working hard on the Full Funding Grant Agreement application, and the Board intended that the Executive Director/CEO be of assistance with the FTA process. Mr. Grabauskas has FFGA experience, and will be able to "hit the ground running", and start working in early April.

The Board discussed at length the fact that the City and HART have enjoyed the strongest of teams in the engineering field, led by Interim Executive Director Toru Hamayasu. The Board recognized that Mr. Hamayasu's knowledge, experience, and relationship of earned trust with his federal and State counterparts, and stalwart commitment and dedication to the rail project have been the backbone upon which the project has been built. Especially until the FFGA is fully executed and during this transition period leading into advanced construction, Mr. Hamayasu's ongoing leadership and focus on advancing the project is critical. The Board also discussed the fact that the need for communication with stakeholders will only increase over time, especially during

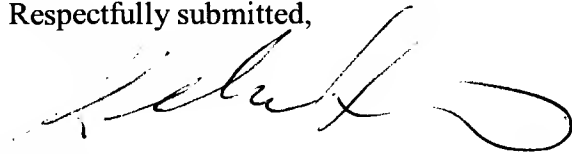
construction, and that Mr. Grabauskas' management and communication skill sets and passion perfectly complemented the existing HART structure and staff in this regard.

Finally, Mr. Grabauskas has actually overseen a publicly operated multi-modal transportation system, and understands not just the integration of all modes of transportation, such as bus and rail, but also the importance of development around the transit route. For our project to achieve its full potential, more than construction of the rail line is required; we need to coordinate bus routes to funnel transit riders from neighborhoods and schools to and from the 21 transit stations, and in following our development plans, we need to advance TOD so that people want to and can afford to live in the transit corridor, allowing us to "keep the country, country." As CEO of the fifth largest public transportation system in the country, Mr. Grabauskas was responsible for the integration of different modes of transportation, and directed rail construction and successful TOD projects. Our project will also benefit from having Mr. Grabauskas at the helm in that he can give proper emphasis to the operational aspects of rail transportation while design and construction is ongoing.

The entire Board of Directors of HART, and the Human Resources Committee in particular, have worked diligently under an aggressive schedule to recruit, assess, interview and identify an Executive Director/CEO for the Authority. The commitment of time and effort by all ten Board members and our staff was noteworthy and appreciated. Throughout, Krauthamer & Associates has provided superlative professional services, and proven to be an excellent choice to assist the Board in this important endeavor. Mr. Moser and his firm are to be acknowledged for an outstanding job very well done. They were assisted throughout by Mr. Ronald Tober, who provided the Board with invaluable assistance.

I am confident that the integrity of our process was preserved, that the process in fact worked, that Mr. Grabauskas is the most qualified person for the Executive Director/CEO position, and that if approved he will serve HART with distinction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'KESLIE W.K. HUI', with a large, stylized flourish at the end.

KESLIE W.K. HUI
Chair, Human Resources Committee
Board of Directors, Honolulu Authority for Rapid Transportation

DANIEL A. GRABAUSKAS

EDUCATION

College of the Holy Cross, BA, Political Science
Cornell University, Masters in Business Administration

1985
Degree Conferred May, 2012

PROFESSIONAL EXPERIENCE

Bronner Center for Transportation Management **Chairman and Senior Strategic Advisor**

August, 2010 - Present

Serve as part-time consultant, strategic advisor, and chairman of newly-created Center of subject matter experts competing for procurement opportunities for transportation work in the government sector at the state and federal levels. The Bronner Group is a consulting firm that specializes in accountability, transformation, and innovative strategies exclusively for public sector agencies.

Massachusetts Institute for a New Commonwealth (MassINC) **Senior Fellow for Public Policy**

November, 2009 - June, 2010

Named inaugural senior fellow for public policy by Boston-based non-partisan think tank. Authored a number of articles on topical transportation issues and coordinated a major symposium on the future of public transportation in the US: session keynote was by FTA Administrator Peter Rogoff; also presenting were members of the US Congress, key area business leaders and academics, as well as a unique panel of transit CEOs representing five of the largest transit systems in the US for which I served as moderator.

Massachusetts Bay Transportation Authority (MBTA) **General Manager**

May, 2005 – August, 2009

Served as chief executive officer of 5th largest public transportation network in the United States, with 6,100 employees, with 95% of the workforce represented by 28 Unions and 11 collective bargaining units, an annual operating budget of \$1.4 billion, an annual capital budget exceeding \$500 million, with operations in 175 municipalities throughout Eastern Massachusetts and Rhode Island.

Selected management highlights and accomplishments:

- Oversaw the \$75 million Scheidt & Bachmann contract for the highly successful conversion from payment tokens to smart cards, and implementation of the so-called "CharlieCard" in 2005-2006, the most quickly adopted new transit smart card system in the US.
- Undertook extensive subway and bus station rehabilitation of the nation's oldest transit system to address customer concerns by increasing and updating lighting features, increasing station and vehicle cleanliness, increased elevator and escalator reliability and availability, enhanced security through the installation of over 800 closed circuit television cameras and boosted transit police patrols in the central subway district.
- Completed several significant capital expansion projects including the 18 mile, \$534 million new commuter rail line, the Greenbush Line, in 2007.
- Managed and successfully turned around troubled \$215 million contract with AnsaldoBreda awarded in 1995 for 95 new, ADA-compliant light rail cars for the Green Line, with final car delivered in 2007.

- Oversaw \$172 million contract with Siemens Transportation Systems for the delivery of 97 new Blue Line rail cars, replacing the entire existing fleet, and increasing from four- to six-car trains to address longstanding capacity constraints.
- Managed and judiciously allocated our own bond funds, state-appropriated funds, federal annual fixed-guideway modernization (5309 funds) and urbanized area formula funds (5307 funds), and worked closely with the Federal Transit Administration regionally and in Washington, DC and with our congressional delegation navigating the federal New Starts and so-called Small Starts programs processes and advancing our applications.
- Negotiated nearly \$1 billion contract extension for the management of commuter rail system with the Massachusetts Bay Commuter Rail (MBCR is a consortium of Bombardier, Veolia, and Boston-based Alternate Concepts, Inc.).
- Implemented first-in-the-nation WiFi service on all 13 commuter rail lines to significant customer acclaim.
- Achieved 100 percent compliance with the American's with Disabilities Act for the system's bus network (for the first time in the system's history) and with in-station audio and visual public address systems.
- Introduced the system's first-ever next train announcements in the central subway stations and initiated next train countdown system for 141 commuter rail stations.
- Introduced new, multi-award winning website -- including being named the 2007 Best Government Website by the International Academy of Digital Arts and Sciences with the "Webby" award -- with enhanced trip planning functionality, GOOGLE maps interface, multi-lingual translations, and other innovative customer-centric options.
- Generated non-fare revenue through various initiatives both large and small, such as new housing, retail stores, parking amenities, and advertising in transit oriented developments (TOD). Managed these assets with diligence, creativity, and strong community sensitivity; personally involved with the public and media outreach for many of these initiatives: to listen, to learn, and to be responsive to diverse neighborhood and community desires.
- Supervised the private contractor asset management team who issued and managed hundreds of leases for both small business ventures in subway stations.
- Implemented a number of employee training programs designed to invite entry-, mid-level employees to think about and to prepare for career advancement within the authority; as well as a number of employee recognition programs designed to reward positive actions and attributes and longevity of employment.
- Promoted diversity training for employees working alongside their co-workers and with the diverse community that the MBTA serves; and, settled a major, multi-year class action lawsuit brought under the Americans with Disabilities Act by the Boston Center for Independent Living and named plaintiffs just 11 months after being named General Manager. The settlement is considered a model for public transit systems by the legal services community.
- Developed excellent working relationships with local, state and federal emergency response personnel, including the Federal Emergency Management Agency, Transportation Safety Administration, Homeland Security, and the regional office of the FBI.
- Trained in incident management and drilled in significant emergency response procedures in a variety of situations. Hands-on experiences include: response to several significant crashes on the highways; response to the aftermath of the terrorist attacks on the London metro in July 2005; preparation and planning for the Democratic National Convention in Boston in 2004; and preparations for the H1N1 flu.
- Maintained excellent working relationships with union representatives; successfully concluded a full round of labor contract negotiations with all 28 labor unions.
- Instituted a management accountability system dubbed "T-Stat", modeled on CompStat developed in New York City, to establish benchmarks and metrics for success throughout the operational departments of the authority; personally chaired monthly meetings with all-department heads present and reporting.
- Expanded bicycle access to unprecedented levels and introduced innovative bicycle security measures.

- Maintained proactive media relations and further developed strong public communications skills.

Commonwealth of Massachusetts

Secretary of Transportation, Executive Office of Transportation January, 2003 – March, 2005
Directed Cabinet-level agency with 8,600 employees, an administrative budget of \$1.4 billion and a capital budget in excess of \$1.8 billion annually, advising the Governor, Lieutenant Governor, and Secretary of Commonwealth Development on state transportation policies, planning, management, reform, and modal integration for state Highway Department, Registry of Motor Vehicles, Aeronautics Commission, and Massachusetts Bay Transportation Authority.

Selected management highlights and accomplishments:

- Served as Chair of the MBTA Board and the state's 13 metropolitan planning organizations (MPOs).
- Served as Gubernatorial appointed Board Member of Boston's Metropolitan Area Planning Commission.
- Implemented significant legislatively-mandated transportation management reforms.
- Established and promoted initiatives such as Fix It First, giving priority to road and bridge funding for existing infrastructure, and Communities First, increasing local involvement in transportation projects, and smart growth through transit-oriented development (TOD) projects around multi-modal hubs.
- Supervised completion of several significant capital projects including the \$312 million Bus Rapid Transit (BRT) Silver Line II in 2004, the MBTA's first direct connection to Logan International Airport.
- Initiated first statewide, multi-modal planning effort in over 20 years, including a fresh look at the state's freight rail infrastructure and increased emphasis on bridge repair and rehabilitation.

Registrar, Registry of Motor Vehicles September, 1999 – January, 2002
Served as chief executive of agency with 1,100 employees, a nearly \$70 million operating budget and \$950 million annual revenues responsible for licensing 4.4 million drivers and registration of 5.2 million vehicles.

Selected management highlights and accomplishments:

- Reduced average customer wait times in branches from 90 minutes to fewer than 9 minutes.
- Instituted an automated queuing system in branches that inform customers of their estimated wait times, and made this information available in real-time to customers via the website and telephone.
- Revamped the agency's website, significantly enhancing online capabilities, increasing the variety of online transactions and increasing total transactions from 35,000 per year to over 500,000 per year in two years.
- Partnered with independent insurance agents and auto dealers through an electronic vehicle registration program allowing them to process registration renewals and other transactions at their premises.
- Won legislative funding for and installed new computer and telephone systems; consolidated phone center operations reducing wait times and increasing self-service options for consumers and businesses.
- Implemented first-ever employee customer-service training and recognition programs.
- Added new service branches at little or no taxpayer cost through innovative public-private partnerships with malls and retail businesses.

Director, Office of Consumer Affairs & Business Regulation February, 1998 – September, 1999
Directed Cabinet-level agency's administrative, policy, and budgetary objectives for office and key regulatory agencies with an overall budget of \$60 million and nearly 900 employees. Served as the state's chief spokesperson and advocate for consumer interests, as well as supervised the regulatory agency heads of the Division of Banks, Division of Insurance, Department of Telecommunications and

Energy, Division of Weights and Measures, State Racing Commission, Alcoholic Beverages Control Commission, and Division of Professional Licensure.

Chief of Staff, Department of Economic Development February, 1997 - February, 1998
Chief of Staff, Executive Office of Health & Human Services January, 1995 - October, 1995

Deputy Secretary, Executive Office of Communities & Development August, 1991 - January, 1995

Chief of Staff, Massachusetts Senate, Office of Senator Richard R. Tisei January, 1991 - August, 1991

Chief of Staff, Massachusetts Senate, Office of Senator Mary L. Padula January, 1987 - June, 1990

International Republican Institute
Resident Program Officer, Vilnius, Lithuania November, 1995 - December, 1996

Nichols College, The Fischer Institute
Assistant to the Director July, 1985 - June, 1986

VOLUNTEER AND CIVIC ACTIVITIES

Board of Directors, Anti-Defamation League - New England Region (Since 2011)
Board of Overseers, Anti-Defamation League - New England Region (2009-2011)

CEO Advisory Board, Girl Scouts of Eastern Massachusetts (2011-2012)

Moroccan Parliamentary Election, Volunteer Election Trainer (May 2007)
Nigerian Presidential Election, Volunteer Election Trainer (February 1999)
Bulgarian Parliamentary Election, Volunteer Election Observer (April 1997)
Bulgarian Presidential Election, Election Observer (November 1996)

American Council of Young Political Leaders (ACYPL), Lifetime Member (Since 2003)
Official Delegate to Indonesia and Malaysia (2003)

Ipswich Historical Society Member (Since 1998)

Town of Arlington, Finance Committee (Appointed: 1993-1997)
Town of Arlington, Town Meeting Member (Elected: 1993-1997)

MA National & Community Service Commission, Commissioner (1994-96)
MA Community Service Commission, Commissioner (1991-94: Dissolved)

Holy Cross Club of Greater Boston
President (1994-1995)
Vice President (1991-1994)
Secretary (1989-1991)
Board of Directors (1989-2000)
Holy Cross General Alumni Association
Board of Directors (1991-2001)

PERSONAL INTERESTS

Gardening, hiking, sea kayaking, cycling, cooking, reading, international travel.